GOVERNMENT OF INDIA
FINANCE
LOK SABHA

STARRED QUESTION NO:593
ANSWERED ON:06.05.2005
GUIDELINES FOR NPA
Chowdhury Shri Adhir Ranjan;Nikhil Kumar Shri

Will the Minister of FINANCE be pleased to state:

(a) whether RBI has recently issued draft guidelines for buying and selling Non- performing assets of banks, financial institutions and NBFCs;

(b) if so, the details thereof; (

(c) whether NPAs of banks, financial institutions and NBFCs would be diluted as a result of such steps of RBI; and

(d) if so, the details thereof?

Answer

FINANCE MINISTER (SHRI P. CHIDAMBARAM)

(a) to (d): A statement is laid on the Table of the House.

STATEMENT FOR LOK SABHA STARRED QUESTION NO.593 FOR 6th MAY 2005 REGARDING GUIDELINES FOR NPA TABLED BY SHRI NIKHIL KUMAR AND SHRI ADffIR CHOWDHURY

(a) & (b) : Yes, Sir. Reserve Bank of India has issued draft guidelines on purchase / sale of Non-Performing Assets on 12th April 2005 to all commercial banks, financial institutions and non-banking financial companies. The draft guidelines are available on the website of RBI i.e. www.rbi .org. in/noti fication.

(c) & (d) : Reserve Bank of India and Government of India has taken various steps to reduce the incidence of non-performing assets of scheduled commercial banks etc. The present guidelines being made available to banks is another option for effectively addressing their non-performing assets. It is too early to assess the impact of these guidelines in reduction / dilution of NPAs, as these will be finalized by Reserve Bank of India after receiving the feedback from all concerned.